

Free Special Report:

Self-Directed IRAs, The Best Kept Secret



uDirect
IRA Services, LLC

(866) 447-6598

Dear Reader,

Thank you for responding to our offer for a special report. At this time next year, you will be richer for the information you are about to read!

In this report, we will look at how you can build wealth with strategic yet simple use of self-directed IRAs.

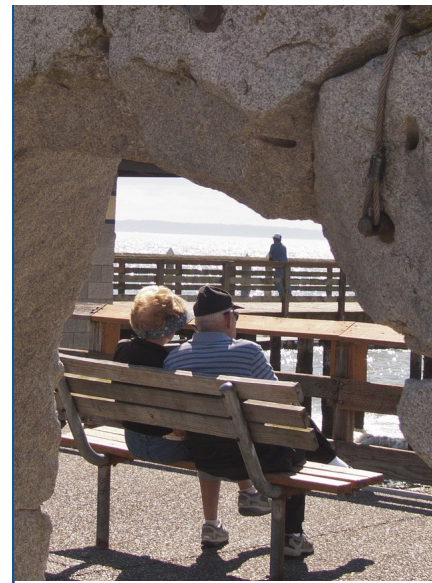
There are many reasons why you should consider a self-directed IRA for your retirement. We will not only discuss the reasons, we will also educate you on what makes a self-directed IRA, why you should consider one, and why they are so important for your retirement future.

I hope you enjoy this report.

Please feel free to call me with any questions or comments you may have!

Kaaren Hall
President
uDirect IRA Services
(866) 447-6598

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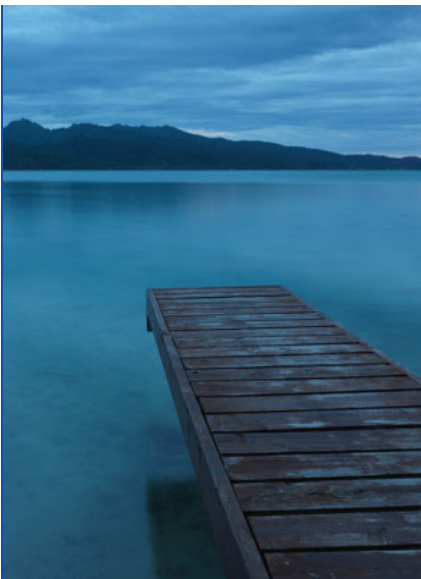
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info@uDirectIRA.com



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What is a Self-Directed IRA?

Most IRAs are typically invested in stocks, bonds and mutual funds. With a self-directed IRA from uDirect IRA Services, as the name implies, you make the investment choices. The types of investments are almost limitless. With the self-directed IRA account, “uDirect” acts simply as an independent administrator handling the investment transactions you dictate.

With a self-directed account from “uDirect”, you can invest your retirement dollars in non-traditional investments including: Real estate, private placements, precious metals, trust deeds, oil-gas-energy and limited offering investments.

“Self-Directed” means you make all the buy and sell decisions. We only engage in investments, transactions and sell orders which you dictate to us.

For a large number of people, the self-directed approach makes the most sense because you aren’t locked into the narrow choices and self-serving interests of a mutual fund, bank, brokerage or life insurance company custodian. Take the reins and direct your own retirement future today! Give us a call and ask us how at (866) 447-6598.

How did Self-Directed IRAs evolve?

The concept of self-direction was created by Congress through the Internal Revenue Code Section 4975 and other sections. Congress only dictates what investments are NOT allowed. Since investments with a self-directed IRA are not on that list, you have a great opportunity to grow retirement plan assets. In fact, knowledge of this IRS code may provide you with a strategy that allows you to accumulate tax-free wealth throughout your lifetime, provided you know how to use it.

Most do not realize the full power of self-direction, even financial professionals. Self-directing investments in retirement plans is not new. It was part of the government’s plan in the 70’s to help all of us save for our increasingly expensive and long retirement years.

Why do I need a Self-Directed IRA?

- You can build wealth and secure your future more effectively.

Combining the tax advantages of a retirement account with access to a larger range of investment choices offered, a self-directed IRA can help you build more wealth for your retirement.



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With a self-directed IRA, you choose your investments, such as homes, apartments, raw land, co-ops, condos, and commercial property and more. A self-directed IRA enables you to invest in what you know best.

- You can create passive income for your retirement.

Passive income is an income stream where money is received usually on a regular basis, without continuing effort, such as income from a rental or property.

Creating passive income is easy with a self-directed IRA. Give us a call at uDirect IRA Services and ask us how at (866) 447-6598.

- Life Expectancy is Climbing!

According to Stanford University, medical advances in anti-aging technologies could increase average life expectancy from just less than 80 years to 100. How long will your retirement savings last? How can you make sure?

- Social Security is Not Guaranteed

CNN Money reports that the Social Security trust fund will be exhausted in 2040. Are you depending on Social Security as part of your retirement income?

- Economic Changes Within Society are More Prevalent Than Ever.

An unstable stock market and world economy directly affect your Retirement Savings when you are invested in Wall Street based assets. Are you prepared for these types of unforeseen cost increases and market fluctuations?

- Soaring Health Care Costs are Putting Seniors into Debt

Employee Benefit Research Institute reports that the debt load of seniors grew from 2002 to 2015, the percentage of households 55 and older with overall debt grew faster than the rate of the overall population. Those 75 and older packed it on most quickly. Are you prepared for your long-term health care costs? The Professionals at uDirect IRA Services would be happy to assist you with any questions you may have, or help you to open an IRA account.

Getting started is as easy as 1, 2, 3:

1. Open an account
2. Fund your account
3. Invest

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What can I invest in with a self-directed IRA?

1. You can buy real estate with the money in your IRA.

Not many people know, but it is absolutely legal to buy real estate in your IRA. The Internal Revenue Code does not tell you what you can do with your IRA, only what you can't do. Besides restrictions on purchasing life insurance, capital stock in an "S" corporation and most collectibles in your IRA, nearly everything else is fair game.

Unless your IRA is self-directed, however, your custodian may not allow investments in real estate.

Examples of real estate related investments made by individuals self-directing their individual retirement accounts includes:

- Raw land
- Farms
- Pre-construction investments
- Residential property
- Condominiums
- Multi-family units
- Commercial property
- Resort property
- Real estate development companies
- Private real estate investment funds

Things to Consider

Your IRA can even partner with other people's IRAs to purchase property. Keep in mind that if you are considering this, you may be asked to provide evidence proving that you did not receive any immediate benefit from your IRA's participation in the investment if the IRS questions the transaction. The transaction still must be an arms-length transaction, and the investment remains subject to the same restrictions as if the entire investment were in your IRA. It is just a better idea to separate your IRA's investments from your own investments.

You may also purchase debt-financed property with your IRA. The debt must be financed by a non-recourse loan and any disqualified person may not supply the funds. Also, the IRA may have to pay UBIT (unrelated business income tax) or UDFI (unrelated debt financed Income tax) on the profit from debt-financed property. Generally speaking, taxes must be paid on profits from an IRA-owned property that is debt-financed, including profits from the sale or disposition of the property, in the same proportion that it had debt.



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While purchasing real estate with the money in your IRA is permitted, there are some important things to keep in mind:

- You may not collect a fee for managing property owned within your IRA. This is considered a prohibited transaction.
- You may not collect a commission for any property sold to your IRA. This is also considered a prohibited transaction.
- You may not sell property that you currently own to your IRA. There is a list of “disqualified persons” who are prohibited from dealing with your IRA or benefiting from its investments. The list of disqualified persons includes you, your spouse, your parents, your children, their spouses, certain business partners and key employees and persons providing services to your plan, among others.
- Your IRA owns the asset. Many people think the money is distributed and is taxable first; this is not true.
- Real estate can be purchased 100% by the IRA account or just a percentage interest in real estate as Tenants in Common (i.e. Robert J. Jones 50% Undivided Interest and “The Custodian” FBO William Bush IRA #12345 50% Undivided Interest)
- You may not buy/sell/lease your real estate from a disqualified person. This is considered self-dealing and is strictly prohibited.
- All income (rents or sales proceeds) that is produced by the Real Estate IRA must be returned to the IRA cash account. Expenses are treated the same way; all expenses must be paid by the IRA account. If the real estate were owned as a percentage, the IRA would pay the applicable percentage of the expenses.
- If there is financing involved with an IRA asset, it must be nonrecourse financing (IRA owner cannot personally guarantee the note.) Typically, lenders will require larger down payments on nonrecourse loans. The lender can be the seller.
- Real Estate owned inside an IRA account must be for investment purposes with no personal use. Also, if you visit that IRA property, you cannot write off the trip nor can you stay in the unit to do maintenance.
- All contracts/transactions must start out in the name of the IRA as the investor. You cannot assign a contract you have entered into to your IRA as you are disallowed to your IRA.

Arms Length Transaction

IRA owners must make sure they do not engage in prohibited transactions when investing their IRA assets in real estate. They must make sure the real estate transactions are “arm’s length” or third-party transactions. This means that an IRA owner cannot invest in property he or she, a relative, or his or her business, already owns.

In order to prevent a prohibited transaction, the individual should not have access to or use of the property while a portion of the real estate is held within their IRA. Also, while fractional interests in real property may be purchased or sold, such interests may not be bought from the IRA owner or members of family or business, except siblings.

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All income and expense related to the property needs to be divided and/or paid according to ownership percentage. In such cases, it is wise to have a third-party property manager handle these activities to ensure that no self-dealing transaction occurs.

Some Essential Facts

The regulations include:

- When purchased, the property becomes an asset of the IRA.
- Neither the IRA owner, spouse, nor family members (other than siblings) may have owned the property prior to its purchase by the IRA.
- Neither the IRA owner nor family members (other than siblings) may have access to or use of the property while it's in the IRA.
- The IRA owner cannot manage the property; however, he or she can hire a third party -- a real estate broker or local manager -- to collect rents and maintain or improve the property.
- Property related expenses cannot be paid with personal funds and then be reimbursed by the IRA.
- The IRA owner's business may not lease or be located in or on any part of the property while it's in the IRA.
- All rental profits must be returned directly to the IRA.
- The IRA owner can not earn a commission or fee on any transactions involving the retirement account.
- Property owned within an IRA will not be able to take advantage of write-offs, such as depreciation or other property related expenses.
- The property must remain in the IRA until distributed or sold to a third party.

Examples of a Self-Dealing Transaction

Here are a few examples of what the IRS or DOL may consider self-dealing with IRA funds:

- Borrowing money from an IRA – IRAs are prohibited from making loans to IRA owners and any disqualified person.
- Using the IRA as a security for a loan – IRA owners are not allowed to use the IRA as collateral for a loan, as the amount they pledge as security will be deemed a distribution by the IRS.
- Selling assets to an IRA - If the IRA owner sells property to their IRA, the sale is a prohibited transaction.
- Buying property for personal use (either by the IRA owner and/or a family member), such as a lake cabin or a condo in the mountains, is strictly prohibited.
- Purchasing property from a disqualified relative.
- Issuing a mortgage on a relative's new residence.

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2. That also includes commercial real estate!

Here is an example:

John Smith buys an apartment building.

John Smith located a 15-unit apartment for an investment property in his IRA and for his partner Sam Frank. The asking price for the building was \$800,000.

John made an offer of \$720,000 and it was accepted. John funded half of the purchase with funds from his partner and half his own IRA. To complete the purchase, John completed an Investment Direction Form for his IRA.

Escrow was opened. Collingwood Escrow accepted a \$72,000 deposit on the property in two checks:

- One check from uDirect IRA (on behalf of John's IRA) for \$36,000.
- One check from Sam Frank for \$36,000.

USA Title provided a preliminary title report to the buyers (John's IRA and Sam).

The deed was recorded in the purchasers' names: 50% undivided interest in the name of Sam Frank; 50% in the name "The Custodian" FBO: John Smith IRA.

The settlement statement provided a breakdown of the cost and charges allocated among the buyers and sellers. John made a check to escrow for the amount needed for the remainder of his 50% or \$324,000. The uDirect IRA funded \$324,000 for the other 50%.

Assignment of Rental Agreement

Rental agreements were assigned to John and his plan equally. John hired a property management service to collect the rent on the units. The property management agreement was signed by the Custodian of the IRA.

When making payments to John, the property management made 50% of the net receipts out to "The Custodian" FBO John Smith IRA and the other 50% to Sam Frank. In the case of co-ownership by an IRA or other persons or entities, it is advisable to employ the services of a property manager or outside bookkeeper.

The operating income looked like this:

Initial deposits from new tenants	\$40,000
Maintained in account for potential expenditures	\$20,000
Monthly income	\$20,000
TOTAL	\$80,000

\$20,000 stays in the account for repairs and maintenance.

\$60,000 is split between Sam & John's IRA



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3. Tax-Free And Tax-Deferred Investing with Notes

In this time of economic uncertainty, purchasing discounted notes can provide excellent investment opportunities. Investing in notes becomes particularly attractive using tax-deferred funds in your IRA or other retirement plan. The payment streams come into your IRA and in the final analysis, on a first trust deed, the worst case is that you own the property.

The simplest part about using IRAs as a source for funds to invest in real estate and notes is that it is like any real estate transaction that uses a third-party entity as the owner. Think of it like this – your company buys a note or piece of property. A company officer or designee signs and approves documents and authorizes events to go forward. It works the same way for your IRA.

Here are some basic rules that you need to keep in mind:

- You cannot receive a current benefit from the IRA or it's assets. That means:
 - No living on the property at all.
 - No receiving rent or income directly. You can only receive income (and pay those expenses) proportionate to your investment.
 - The IRA can't deal with you or members of your family who are ascendants or descendants or their spouses. This means that parents and children, their spouses and you and your spouse may not be included.
- Qualified plans assets, such as an office building invested in by a plan, can have a certain part allocated to having you rent space for the purposes of the plan.
- You are required to include a history of any and all assignments if your IRA is investing in existing notes.

Getting Started

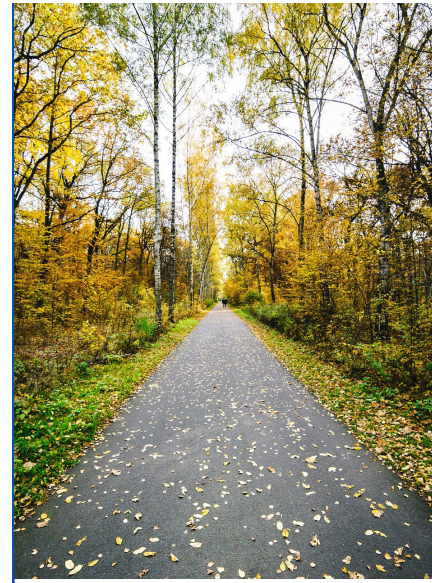
To get started investing in notes with a self-directed IRA, you'll first have to open a self-directed IRA account with uDirect IRA Services. Next, find a note investment.

Purchasing a trust deed or mortgage requires you to complete an investment direction form for real estate notes. It is important to closely follow the guidelines provided on these forms to ensure timely and efficient transactions.

When title and/or escrow companies are involved, ensure that proper instructions are provided for all documents for your account. Local title or escrow companies may have additional requirements other than those we provide so make sure to check with them.

uDirect must receive all loan documentation before the funding of any loan. We cannot fund without a complete loan package. This package includes a trust deed and note, title insurance (when applicable), and appropriate vesting.

If you have selected a third-party servicer, a servicing agreement must be provided to "uDirect" describing the note in accordance with the documents we have received. Your servicer may retain the original note documents.



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While we are not licensed as a mortgage servicer, as record keeper we can receive payments directly from your payor, as well as process loan payments and other information for your loan. All original documents will be maintained in safekeeping and eventual reconveyance.

As part of your arrangement with a payor, you may receive all payments for your note(s) for personal inspection. However, we must receive such payments intact. uDirect cannot apply personal checks from you as an account holder to pay for obligations of notes in your account, as this violates IRS rules.

In all cases, all note information is required before funding can take place. This information includes the name, address, and Social Security number of the payor.

If the payor is different from the one described by other documents provided, such information needs to be supplied so that proper credit can be applied. All payments must contain your account and loan number. If this information is not supplied, there may be a delay in posting funds to your account.

All payments are promptly deposited in your IRA.

If note payments are not made when due, and a third party is servicing your note, all collection activity becomes the responsibility of you and your servicer. uDirect does not provide any collection services for past-due notes other than those agreed to at the time of funding of the loan. In addition, any foreclosure options that may be required are your responsibility. Our role is solely to provide information to the outside foreclosure service of your choice. You may obtain transaction history on your account online at any time. You may also receive this history online via fax or phone by calling uDirect at (866) 447-6598.

Regulatory reporting

All regulatory reporting for mortgage income is made by the servicer. If “uDirect” provides mortgage record-keeping services, the 1098 forms will be sent to the payor, as required.

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4. Investing in Partnerships and Private Stock Offerings

Partnerships

Registered and unregistered interests in Limited Partnerships may be purchased and sold by IRAs and Qualified Plans.

The general rules regarding acceptability of partnership investments in your account are:

- The partnership agreement must permit an IRA or a Qualified Plan to be a partner.
- The partnership interest purchased by your account cannot have any management responsibility; liability from any cause cannot exceed the amount of your investment; and a voting majority is not permitted.
- The partnership entity must comply with the appropriate state law, have a determinate life, and be assignable.
- The partnership subscription agreement must be signed by you as having been read and approved and will be executed by us for your benefit. In addition, you will need to complete and send us a Buy Direction Letter. The investment amount must be stated or funding cannot take place.

Note: Partnerships may be subject to unrelated business income and other taxes.
Consult your tax advisor for direction.

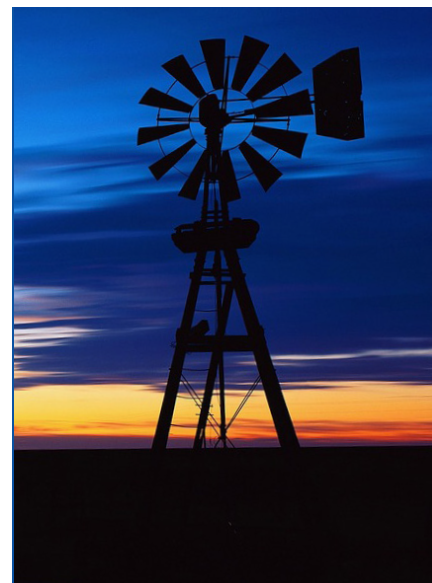
Limited Liability Corporations

Limited Liability Corporations (LLCs) are considered securities in many states and may be required to meet the standards of securities offerings. Offering memoranda, circulars and subscription and investor suitability information are provided by the managers of LLCs. The rules and procedures regarding investing IRA or Qualified Plan Funds in LLCs are the same as those for partnerships.

Private or Closed Corporation Stock

Private or Closed Corporation Stock Offerings are those stock offerings not available to the general public. Normally, they will be made to pre-qualified individuals. These offerings must comply with the securities Blue Sky Laws in the states in which the offering will be made. The number of individuals included in the offering cannot exceed the maximum stipulated by those states' laws.

Offerings, usually made by corporations looking for capitalization, may be in any class of stock described in their prospectus. Many corporations act as their own registrar as well as transfer agent. They may or may not have market makers for their offerings. Purchases and sales are described in their offering materials. Purchases and sales of private or closed corporation stock are accomplished by completing either a Buy or Sell Direction Letter which specifies the number of shares, the price per share, and the total dollar amount of the transaction. Although you will read and approve the necessary subscription documents, we will execute the actual subscription for your benefit.



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5. Investing in Precious Metals

Most people purchase precious metals as a hedge against inflation. Additionally many investment professionals suggest investing in precious metals as a means to diversify investments amongst asset classes.

When purchasing gold or other precious metals with an IRA you cannot take personal possession. Instead the metals are stored with a bank or depository. When you purchase metals, you are acquiring your own metals – NOT an interest in an investment pool of metals with other investors. We will take physical delivery of metals for your account.

If you have knowledge and experience investing in precious metals then capitalize on your expertise to generate retirement wealth tax-free in a Roth IRA or tax-deferred. Use your self-directed IRA to drive your own level of success since you control your investments.

Getting Started

As the IRA holder, you are responsible for choosing the precious metals dealer and the type of product. Once purchased, the precious metals OR certificates of ownership must be held by the IRA or the IRA depository.

To direct the investment into precious metals with your IRA, complete an investment direction form. Within the instructions, please provide the detail on the investment, such as the type, quantity, form, grade, price and dealer. Next, you'll submit the investment direction form to uDirect IRA Services. uDirect will purchase the investment with your IRA funds. The precious metals OR certificates of ownership must be held by the Custodian or the Custodian's depository.

Permissible Precious Metals:

Gold:

American Eagle Coins

US Buffalo Uncirculated Gold Coins

Bars and Rounds, Manufactured by NYMEX or •

COMEX approved refiner/assayer or national government mine, and meeting minimum fineness requirements.

Silver:

American Eagle Coins

Bars and Rounds, Manufactured by NYMEX or

COMEX approved refiner/assayer or national government mine, and meeting minimum fineness requirements.



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Platinum:

American Eagle Coins

Bars and Rounds, Manufactured by NYMEX or COMEX approved refiner/assayer or national government mine, and meeting minimum fineness requirements.

Palladium:

American Eagle Coins

Bars and Rounds, Manufactured by NYMEX or COMEX approved refiner/assayer or national government mine, and meeting minimum fineness requirements.

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6. Investing in Tax Deeds and Tax Liens

Another investment possibility is to purchase tax deeds or tax liens.

A tax lien is a lien imposed on property by law to secure payment of real estate taxes. Tax liens may be imposed for delinquent taxes owed on a real property, personal property and/or the failure to pay income taxes or other taxes such as federal income tax.

A tax deed sale is the forced sale conducted by a governmental agency of real estate for nonpayment of taxes. It is one of the two methods used by government agencies to collect delinquent taxes owed on real estate.

County governments differ on how they handle properties on which real estate taxes are owed. Some sell tax liens and some sell tax deeds. Generally, the redemption period for a tax deed is shorter than for a tax lien. The government agency owning the tax deed gives the property owner a set period of time in which to pay the taxes owed on the property. If the property owner hasn't paid the taxes within that time, the investor who bought the tax deed can proceed with judicial foreclosure to acquire the property.

When buying tax liens and tax deeds, it's important to take the time to research the collateral behind the lien or deed. You may end up owning the property.

Reasons to consider tax liens or tax deeds as a retirement plan investment:

- **Higher than average returns.** Investing in tax liens and deeds typically provide a much higher interest rate than investing in stocks or bonds.
- **Allows for small investments.** Liens and deeds are good if you only have small amount of money to invest.
- **Provides security.** The collateral on the lien or deed secures the investment
- **It's another way to acquire property.** If the tax lien is not redeemed (i.e. paid off), the lien holder has the right to foreclose on the tax lien and take title to the property.

Getting Started

Once you establish an account, you would determine the county in which you would like to bid on tax liens. You would then contact uDirect. We can walk you through the investment step-by-step and assist you in completing any necessary paperwork to fund your investment.

To purchase tax lien auctions, some county auctions can be found online or in the newspaper. You also can contact the county in which you would like to purchase tax liens.



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To request the appropriate amount of funds for tax lien auctions if the exact amount required to purchase the lien is not known in advance, you can request cashier's checks made out to the county for more than the amount that you might actually pay for the tax lien. Prior to the auction, check with the county to make sure it will issue a refund check for the overage amount. The overage amount can be re-deposited into your IRA, as long as the appropriate procedure is followed.

What You (The Investor) Does

- Does all the homework on the investment risk
- Chooses the investment
- Conducts all due diligence
- Negotiates the price of the asset
- Makes sure investments are not prohibited by IRS
- Makes all investments in the name of the IRA account
- Makes sure transactions don't include disqualified persons
- Monitors their account
- Completes documents or has them completed

Services uDirect IRA Services Provides

- Administers the sales and purchases of assets, and processes invoices
- Administers account contributions and distributions
- Signs documents on behalf of the IRA
- Provides accurate and timely IRS reporting
- Provides IRA account record-keeping
- Provides an online statement available 24/7

What uDirect IRA Services Does Not Do

- Endorse any particular product or company
- Offer products or recommend investments
- Provide tax or investment advice
- Provide legal or financial advice
- Supply investment templates
- Complete or alter account-holder's forms or legal documents

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Conclusion

Thanks so much for reading this special report. We hope that the knowledge that you've gained will assist you in becoming an informed, self-directed IRA investor.

We highly recommend reviewing your investment strategies with your tax professional and financial advisor. Just because it is tax-free or tax-deferred doesn't always mean that it is better than other strategies, so make sure to run the numbers.

Check in regularly to make sure that you avoid prohibited transactions (self dealing), perform your due diligence on any asset you wish to purchase and making sure you have contingency funds in your IRA or plan. Always read every document before you invest. If there is some document that you are expecting or was promised, and was not delivered, don't invest until you are satisfied. When in doubt ask your professional, not theirs.

By being an informed investor, knowing what the rules and regulations regarding your investment strategy are, and how this relates to your financial future is empowering. You'll know what your buying before you purchase.

The Professionals at uDirect IRA Services would be happy to assist you with any questions you may have, or help you to open an IRA account.

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Kaaren Hall
President
uDirect IRA Services



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(866) 447-6598
info@uDirectIRA.com

